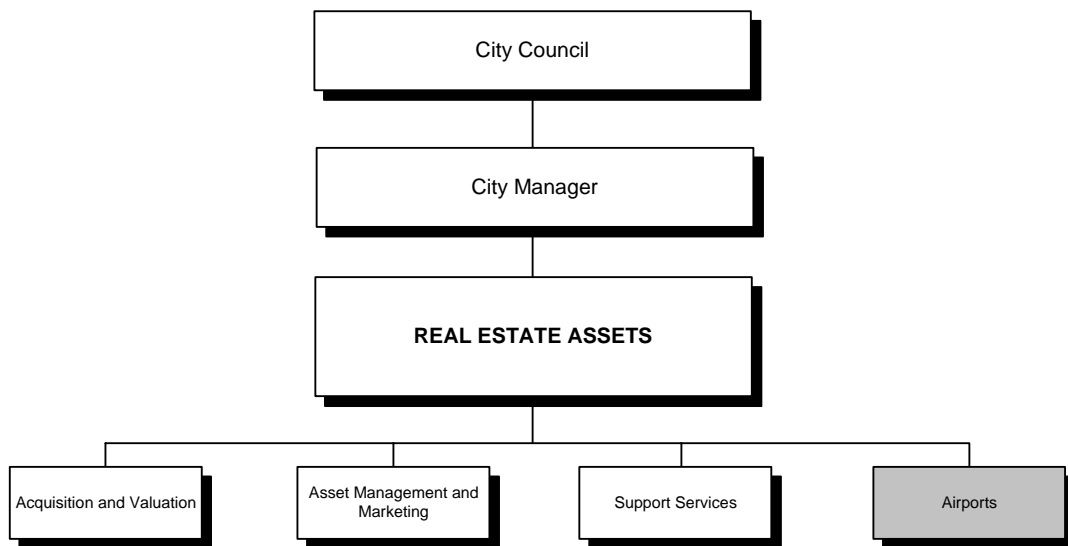


# Real Estate Assets



To manage the City's real estate activities for the greatest benefit to the citizens of San Diego and to manage the municipal airports to provide safe and efficient operations, and to meet the aviation needs of San Diego.

# Real Estate Assets



# Real Estate Assets

## Department Description

The Real Estate Assets Department provides real estate services for the City of San Diego including property management, leasing, marketing, easements, permits for access, appraisals, valuations, relocations and acquisitions. The department also manages two general aviation airports for the residents of San Diego.

## Milestones Met/Services Provided

Real Estate Assets has reached a number of milestones throughout the fiscal year. These milestones include generating over \$43 million in lease revenue in Fiscal Year 2001, a four percent increase over Fiscal Year 2000, including \$19 million from Mission Bay; securing Coastal Commission approval for the renovation and expansion of Dana Inn & Marina; securing the lease for a Downtown Child Care Facility to serve 120 children; securing Coastal Commission approval of the Sea World Master Plan; obtaining approval to issue a request for qualifications for North Bay/Midway area redevelopment; successfully re-negotiating a \$66 million

renovation lease for the Lodge at Torrey Pines; acquiring rights-of-way for Route 56; acquiring 56 acres in the Del Mar Mesa area for approximately \$1.9 million for the Open Space/Multiple Species Conservation Program; and acquiring \$3.1 million in federal and state grants for the design and construction of five major Airport Improvement Projects at Montgomery and Brown Field Airports.

## Future Outlook

For Fiscal Year 2003, Real Estate Assets will be assisting in opening a downtown child care facility; acquiring more land for the Multiple Species Conservation Program; acquiring land for the development of several new libraries; and completing a Master Plan for Montgomery Field Airport and a new Business Plan for Brown Field Airport. In addition, the Airports Division anticipates that the Transportation Security Administrator will impose new requirements that will result in making significant enhancements to airport security and the National Air Transportation System.

## Significant Budget Adjustments

Real Estate Assets	Positions	Cost
<b>Personnel Expense Adjustments</b>	0.00 \$	117,108
Adjustments to reflect the annualization of the Fiscal Year 2002 negotiated salary compensation schedule, average salaries, fringe benefits and other personnel expense adjustments.		
<b>Non-Discretionary</b>	0.00 \$	(12,574)
Adjustments to reflect expenses that are determined outside of the department's direct control. Examples of these adjustments include utilities, insurance, and rent.		
<b>Budgetary Savings Plan</b>	(1.25) \$	(91,439)
The reduction of 0.50 Senior Management Analyst, 0.50 Associate Property Agent and 0.25 Administrative Aide II positions will result in a reduction in response time, leasing services and administrative support.		

Airports	Positions	Cost
<b>Personnel Expense Adjustments</b>	0.00 \$	50,259
Adjustments to reflect the annualization of the Fiscal Year 2002 negotiated salary compensation schedule, average salaries, fringe benefits and other personnel expense adjustments.		
<b>Support for Airport Operations</b>	0.00 \$	236,300
Increases are for the implementation of security upgrades in response to September 11 <sup>th</sup> airport security enhancement requests and for the continued support of consultants to conduct studies and prepare an Airport Business Plan for Montgomery and Brown Field Airports. A small portion of the increase will be used for the Underground Storage Tank Maintenance Program, payment for hazardous waste generator and waste reporting surcharge fees.		
<b>Non-Discretionary</b>	0.00 \$	56,577
Adjustments to reflect expenses that are determined outside of the department's direct control. Examples of these adjustments include utilities, insurance, and rent.		

# Real Estate Assets

## Significant Budget Adjustments (continued)

Airports (continued)	Positions	Cost
<b>Capital Improvement Program Budget Increase</b>	0.00 \$	15,000
Increase of funding for Airport capital projects to Fiscal Year 2003 levels.		
<b>Budgetary Savings Plan</b>	0.00 \$	(412,284)
A departmental savings of over 2% was realized through the reconciliation process due to the elimination of costs associated with the proposed development of an Air Cargo Center at Brown Field Airport. The termination of the lease negotiations with the San Diego Air Commerce Center group has resulted in a significant reduction of one-time expenditures for consultants, airport studies and legal fees.		

## Real Estate Assets

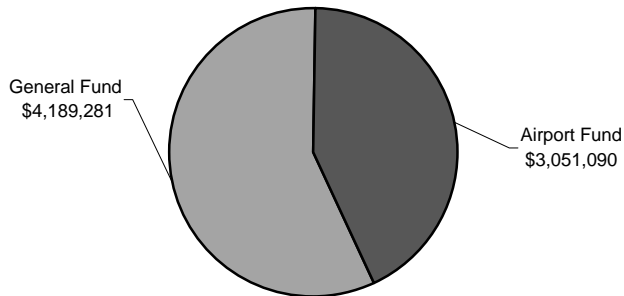
Real Estate Assets			
	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
Positions	70.72	72.14	70.89
Personnel Expense	\$ 4,403,196	\$ 5,051,908	\$ 5,128,783
Non-Personnel Expense	1,608,636	2,229,516	2,111,588
<b>TOTAL</b>	<b>\$ 6,011,832</b>	<b>\$ 7,281,424</b>	<b>\$ 7,240,371</b>

Department Staffing	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
<b>GENERAL FUND</b>			
Real Estate Assets	49.72	49.64	48.39
<b>Total</b>	<b>49.72</b>	<b>49.64</b>	<b>48.39</b>
<b>CITY AIRPORT FUND</b>			
Airports	21.00	22.50	22.50
<b>Total</b>	<b>21.00</b>	<b>22.50</b>	<b>22.50</b>

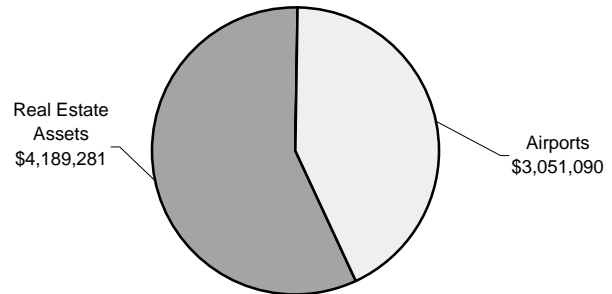
Department Expenditures	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
<b>GENERAL FUND</b>			
Real Estate Assets	\$ 3,781,673	\$ 4,176,186	\$ 4,189,281
<b>Total</b>	<b>\$ 3,781,673</b>	<b>\$ 4,176,186</b>	<b>\$ 4,189,281</b>
<b>CITY AIRPORT FUND</b>			
Airports	\$ 2,230,159	\$ 3,105,238	\$ 3,051,090
<b>Total</b>	<b>\$ 2,230,159</b>	<b>\$ 3,105,238</b>	<b>\$ 3,051,090</b>

# Real Estate Assets

**Source of Funding**



**Allocation of Funding**



## Budget Dollars at Work

\$44 Million in Citywide lease revenue  
 690 Leases covering 24,594 acres managed by Real Estate Assets  
 180 Acres worth \$21.0 million acquired  
 50 Business and residential relocations in conjunction with acquisitions  
 \$3.1 Million in Capital Improvement Project grant funds acquired by Airports

## Key Performance Measures

	FY 2001 Actual	FY 2002 Budget	FY 2003 Proposed
Average annual cost to manage a lease <sup>(1)</sup>	\$2,228	\$2,273	<b>\$2,436</b>
Average cost per parcel acquired	\$5,192	\$5,271	<b>\$5,387</b>
Average cost per relocation	\$1,088	\$3,999	<b>\$4,062</b>
Average cost per aircraft operation facilitated at Montgomery Field	\$1.67	\$1.47	<b>\$1.91</b>
Average cost per aircraft operation facilitated at Brown Field	\$2.71	\$3.69	<b>\$5.44</b>

<sup>(1)</sup> Number of leases includes approximately 45 leases (telecommunication, etc.) that are pending final approval; this measure combines three previous measures.

## Division/Major Program Descriptions

### Asset Management and Marketing

The Asset Management and Marketing Division is responsible for managing and leasing City-owned property; acquiring property leaseholds for municipal purposes; marketing and managing industrial and excess City-owned property; granting easements and permits to public and private entities for needed utilities and other uses; dedicating and designating City-owned parcels for specific uses; and performing special projects.

### Acquisition and Valuation

The Acquisition and Valuation Division provides complete valuation, acquisition and relocation services for the City of San Diego, including appraisal and acquisition of sites for public facilities, parks, open space and rights-of-way for streets utility purposes. Additional services provided by this division are appraisals for lease and/or sale of City properties, estimates of value for feasibility studies, estimates of land and rights-of-way acquisition costs, and consultation and expert witness services to the City Attorney's Office in connection with condemnation actions and other litigation issues.

### Support Services

The Support Services Division provides administrative, clerical, and fiscal direction and support for the department. This includes budget preparation, management of the computer databases and property records, lease billing, payroll accounting, accounts payable, data systems support, and general clerical duties.

### Airports

The Airports Division manages two General Aviation Airports: Montgomery Field and Brown Fields. This division provides safety and security of airport operations through Airport Rescue and Firefighting; coordinates airport activities and special events; and maintains the grounds, facilities and City-owned buildings. Airport Operations also maintains aircraft operating areas, collects airport user fees and administers airport improvement programs. The Noise Abatement Program attempts to minimize aircraft noise impacts on surrounding communities by monitoring aircraft noise levels, enforcing airport noise regulations, educating local and transient pilots, and resolving citizen noise complaints. Airport Property Management is responsible for marketing, leasing, and development of airport properties.



# Real Estate Assets

## Salary Schedule

### GENERAL FUND

#### Real Estate Assets

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary and Fringe</i>	<i>Total</i>
1104	Account Clerk	1.00	<b>1.00</b>	44,539	44,539
1106	Senior Management Analyst	1.00	<b>0.50</b>	82,648	41,324
1107	Administrative Aide II	2.00	<b>1.75</b>	57,965	101,439
1110	Agricultural Lease Manager	1.00	<b>1.00</b>	90,792	90,792
1218	Associate Management Analyst	1.00	<b>1.00</b>	73,960	73,960
1228	Associate Property Agent	14.00	<b>13.50</b>	71,303	962,597
1348	Information Systems Analyst II	1.00	<b>1.00</b>	73,130	73,130
1532	Intermediate Stenographer	1.00	<b>1.00</b>	46,143	46,143
1535	Clerical Assistant II	0.50	<b>0.50</b>	41,618	20,809
1746	Word Processing Operator	2.00	<b>2.00</b>	42,954	85,907
1756	Property Agent	12.00	<b>12.00</b>	80,918	971,017
1776	Public Information Clerk	2.00	<b>2.00</b>	44,741	89,482
1844	Senior Account Clerk	1.00	<b>1.00</b>	50,488	50,488
1876	Executive Secretary	1.07	<b>1.07</b>	60,379	64,606
1917	Supervising Management Analyst	1.00	<b>1.00</b>	90,611	90,611
1929	Supervising Property Agent	5.00	<b>5.00</b>	86,480	432,401
2111	Assistant City Manager	0.01	<b>0.01</b>	210,100	2,101
2153	Deputy City Manager	0.06	<b>0.06</b>	191,250	11,475
2177	Real Estate Assets Director	1.00	<b>1.00</b>	152,631	152,631
2214	Deputy Director	2.00	<b>2.00</b>	127,591	255,182
<b>Total</b>		<b>49.64</b>	<b>48.39</b>		<b>\$ 3,660,634</b>

## Real Estate Assets

### Salary Schedule (continued)

#### CITY AIRPORT FUND

##### Airports

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary and Fringe</i>	<i>Total</i>
1105	Administrative Aide I	1.00	1.00	52,636	52,636
1116	Noise Abatement Officer	1.00	1.00	77,340	77,340
1117	Airport Operations Assistant	4.00	4.00	49,140	196,560
1118	Airport Manager	2.00	2.00	71,026	142,052
1218	Associate Management Analyst	1.00	1.00	73,969	73,969
1228	Associate Property Agent	1.00	1.00	71,303	71,303
1348	Information Systems Analyst II	1.00	1.00	73,120	73,120
1535	Clerical Assistant II	1.00	1.00	41,622	41,622
1746	Word Processing Operator	1.00	1.00	42,955	42,955
1756	Property Agent	2.00	2.00	80,930	161,860
1808	Sr Airport Operations Asst	2.00	2.00	53,623	107,246
1855	Senior Civil Engineer	0.50	0.50	103,720	51,860
1879	Senior Clerk/Typist	1.00	1.00	50,725	50,725
1929	Supervising Property Agent	1.00	1.00	86,484	86,484
1979	Utility Worker II	2.00	2.00	46,328	92,656
2214	Deputy Director	1.00	1.00	118,207	118,207
	Ex Perf Pay-Classified	0.00	0.00		2,570
	Overtime Budgeted	0.00	0.00		24,984
	<b>Total</b>	<b>22.50</b>	<b>22.50</b>	<b>\$</b>	<b>1,468,149</b>
<b>REAL ESTATE ASSETS TOTAL</b>		<b>72.14</b>	<b>70.89</b>	<b>\$</b>	<b>5,128,783</b>

# Real Estate Assets

## Five-Year Expenditure Forecast

	<b>FY 2003 PROPOSED</b>	<b>FY 2004 FORECAST</b>	<b>FY 2005 FORECAST</b>	<b>FY 2006 FORECAST</b>	<b>FY 2007 FORECAST</b>
Positions	<b>70.89</b>	70.89	70.89	70.89	70.89
Personnel Expense	<b>\$ 5,128,783</b>	\$ 5,282,646	\$ 5,441,126	\$ 5,604,360	\$ 5,772,490
Non-Personnel Expense	<b>2,111,588</b>	2,174,936	2,240,184	2,307,389	2,376,611
<b>TOTAL EXPENDITURES</b>	<b>\$ 7,240,371</b>	\$ 7,457,582	\$ 7,681,310	\$ 7,911,749	\$ 8,149,101

### Fiscal Year 2004 – Fiscal Year 2007

No major projected requirements.

## Real Estate Assets

### Revenue and Expense Statement

#### AIRPORTS ENTERPRISE FUND 41100

	FY 2001 ACTUAL	FY 2002 ESTIMATED	FY 2003 PROPOSED
<b>BEGINNING BALANCES AND RESERVES</b>			
Balance from Prior Year	\$ 2,585,590	\$ 3,532,866	\$ 4,768,286
Prior Year Continuing Appropriations	475,307	707,122	594,686
Prior Year Encumbrances	336,323	120,282	303,193
<b>TOTAL BALANCES</b>	<b>\$ 3,397,220</b>	<b>\$ 4,360,270</b>	<b>\$ 5,666,165</b>
<b>REVENUE</b>			
Capital Improvement Program Grants	\$ 250,140	\$ 590,000	\$ - <sup>(1)</sup>
Fund Interest	264,646	293,718	280,000
Aviation Leases	541,972	558,699	613,452
Commercial Leases	1,829,012	1,994,179	2,162,694
Aircraft Fuel Fees	135,518	113,569	128,704
Parking Fees	173,056	174,747	175,600
Commercial Landing Fees	55,835	38,405	55,500
Leases - To Other City Departments	208,000	314,331	265,248
ARC Property Sale	-	845,862	-
Miscellaneous Revenue	198,006	77,623	95,023
Operating Transfer	1,087	-	-
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 3,657,272</b>	<b>\$ 5,001,133</b>	<b>\$ 3,776,221</b>
<b>TOTAL BALANCES AND REVENUE</b>	<b>\$ 7,054,492</b>	<b>\$ 9,361,403</b>	<b>\$ 9,442,386</b>

<sup>(1)</sup> Fiscal Year 2003 CIP grant revenues and expenses cannot be determined until grants are applied for, approved and accepted for Fiscal Year 2003.

# Real Estate Assets

## Revenue and Expense Statement

EXPENSE	FY 2001 ACTUAL	FY 2002 ESTIMATED	FY 2003 PROPOSED
TOTAL CAPITAL IMPROVEMENTS PROGRAM			
Capital Improvements Program -Annual Allocation	\$ 110,610	\$ 400,000	\$ 400,000 <sup>(1)</sup>
Grant Funded Capital Improvements Program - City Share	115,035	190,000	90,000 <sup>(2)</sup>
TOTAL CAPITAL IMPROVEMENTS PROGRAM	\$ 225,645	\$ 590,000	\$ 490,000
OPERATING EXPENSES			
Personnel Expense	\$ 1,051,540	\$ 1,417,890	\$ 1,468,149
Non-Personnel Expense	1,178,618	1,687,348	1,092,941
TOTAL OPERATING EXPENSES	\$ 2,230,158	\$ 3,105,238	\$ 2,561,090
Prior Year Expense	\$ 126,947	\$ -	\$ -
TOTAL CIP AND OPERATING EXPENSES	\$ 2,582,750	\$ 3,695,238	\$ 3,051,090
RESERVE			
Reserve for Encumbrances	\$ 120,282	\$ 303,193	\$ 350,000
Continued Appropriations Encumbered	111,472		845,862
Reserve for Continuing Appropriations - CIP	707,122	594,686	550,000
TOTAL RESERVES	\$ 938,876	\$ 897,879	\$ 1,745,862
BALANCE	\$ 3,532,866	\$ 4,768,286	\$ 4,645,434
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 7,054,492	\$ 9,361,403	\$ 9,442,386

<sup>(1)</sup> \$400,000 annual allocation for all non-reimbursed Capital Improvement Projects.

<sup>(2)</sup> City's share of matching funds for FAA grant funded Capital Improvement Projects.